I.

	BEFORE THE FEDERAL ELE	CTION COMMISS	RECEIVED FEDERAL ELECTION COMMISSION ION CEOPETARIAT		
V - AL			2007 OCT 23 P 2: 16		
Terro	he Matter of rell for Senate and ustin Schmidt, in his official capacity as treasurer)) MUR 5652))	SENSITIV		
	GENERAL COUNSEL	'S REPORT #6			
I.	ACTIONS RECOMMENDED				
	1. Find probable cause to believe that Te official capacity as treasurer, violated 2 U.S.C and 11 C.F.R. §§ 102.17(c)(8)(i)(B), 104.3(a)	C. §§ 441b(a), 441a(f)	, 434(a)(6) and 434(b),		
	2.				
II.	BACKGROUND				
	Terrell for Senate ("the Committee") is the principal campaign committee of Suzanne				

we served the General Counsel's

Haik Terrell during her 2002 race for the United States Senate from Louisiana. Based on the findings of a Federal Election Commission ("Commission") audit of the Committee, the Commission previously found reason to believe that Terrell for Senate and Justin Schmidt, in his official capacity as treasurer, ("Respondents") violated 2 U.S.C. §§ 441b(a), 441a(f), 434(a)(6) and 434(b), and 11 C.F.R. §§ 102.17(c)(8)(i)(B), 104.3(a) and (b), and 104.5(f). [

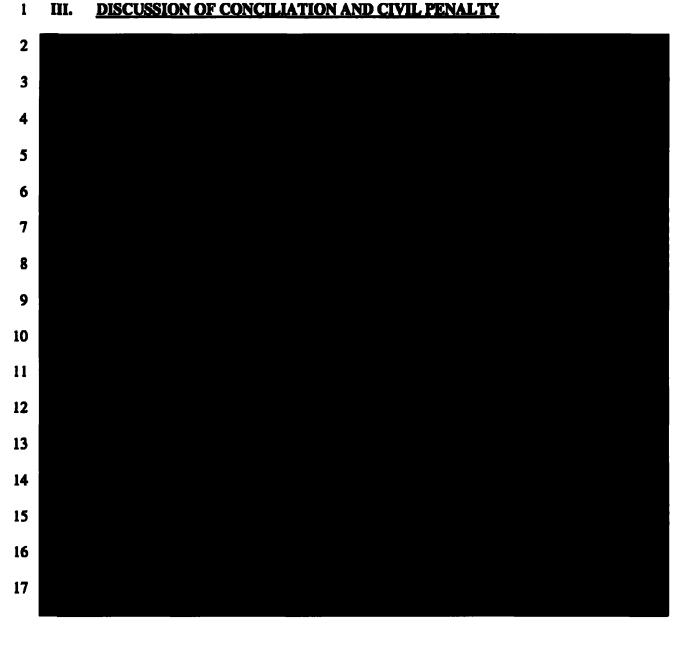
¹ The audit, conducted pursuant to 2 U.S.C. § 438(b), covered the period from July 19, 2002 to December 31, 2002. the total period of Ms. Terrell's 2002 campaign. See Final Audit Report (approved by the Commission on August 4, 2004). Justin Schmidt was not the Committee's treasurer at the time the violations occurred. He was designated the Committee's treasurer on December 22, 2003 and was the treasurer at the time of the Commission's reason to believe findings.

MUR 5652 General Counsel's Report #6 Page 2

Ŀ	Brief, which is incorporated	herein by reference.	The General	Counsel's Brief	sets forth the

- 2 factual and legal analysis upon which we are prepared to recommend that the Commission find
- 3 probable cause to believe that Respondents violated 2 U.S.C. § 441b(a) by accepting corporate
- 4 contributions; 2 U.S.C. § 441a(f) by accepting excessive contributions; 2 U.S.C. § 434(b), and
- 5 11 C.F.R. § 104.3(a) and (b) by misstating financial activity (overstating its ending cash balance
- and understating total receipts and disbursements); 2 U.S.C. § 434(b) and 11 C.F.R. § 104.3(a)
- 7 by failing to itemize contributions and failing to adequately disclose contributor occupation and
- 8 employer information; 2 U.S.C. § 434(b) and 11 C.F.R. §§ 102.17(c)(8)(i)(B) and 104.3(a) by
- 9 failing to disclose joint fundraising proceedings; and 2 U.S.C. § 434(a)(6) and 11 C.F.R.
- 10 § 104.5(f) by failing to file 48-hour notices.
- 11 12 13
- 15
 Accordingly, we recommend that the Commission find probable cause to believe that
- 17 Respondents violated 2 U.S.C. §§ 441b(a), 441a(f), 434(a)(6), and 434(b), and 11 C.F.R.
- 18 §§ 102.17(c)(8)(i)(B), 104.3(a) and (b), and 104.5(f).

DISCUSSION OF CONCILIATION AND CIVIL PENALTY III.



I

1 2 3 4 5 6 7 8 9 10 11 12

IV. <u>RECOMMENDATIONS</u>

- 1. Find probable cause to believe that Terrell for Senate and Justin Schmidt, in his official capacity as treasurer, violated 2 U.S.C. §§ 441b(a), 441a(f), 434(a)(6) and 434(b), and 11 C.F.R. §§ 102.17(c)(8)(i)(B), 104.3(a) and (b), and 104.5(f).
- 2.

Thomasema P. Bra

Thomasenia P. Duncan General Counsel

Ann Marie Terzaken
Acting Associate General Counsel
for Enforcement

Cynthia E. Tompkins
Assistant General Counsel